

Business Confidence Indicators (BCI)
Second quarter of 2014

The Harmonised Business Confidence Index (HBCI) registers a rise of 3.9%, as compared with the first quarter of 2014

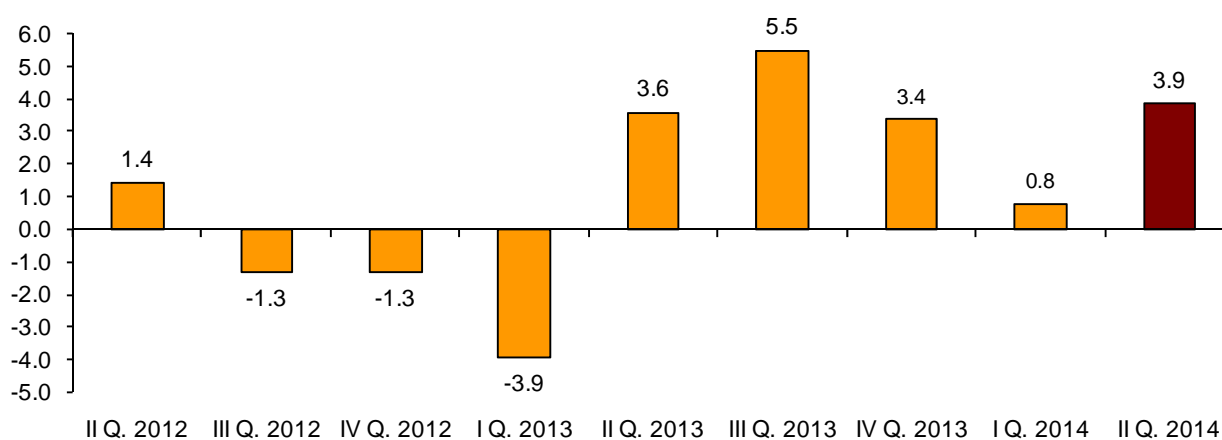
16% of the business establishments are optimistic about the performance of their business, as compared with 11% in the previous quarter

Evolution of the Harmonised Business Confidence Index. HBCI

In the second quarter of 2014, the Harmonised Business Confidence Index (HBCI) registered a rise of 3.9%, as compared with the first quarter 2014, showing an increase in the business confidence.

The business confidence increased in all Autonomous Communities, in all activity sectors and in all size brackets.

Harmonised Business Confidence Index (HBCI)
Quarter-on-quarter rate



Opinions regarding the coming quarter (Expectations)

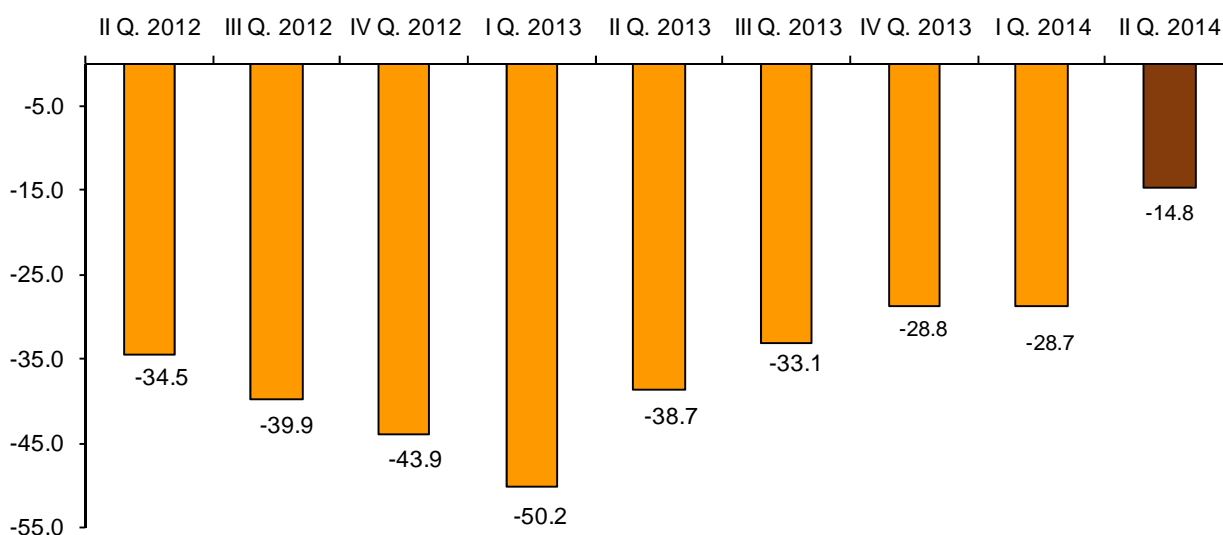
16.0% of the establishments' managers considered that the performance of their business during the second quarter of 2014 would be favourable, whereas 30.8% considered that it would be unfavourable. The remaining 53.2% considered that it would be normal.

The difference between the percentages of favourable and unfavourable responses, known as *Expectations Balance*, stood at -14.8 points for Spain as a whole, as compared with -28.7 of the previous quarter.

Opinions regarding the coming quarter (Expectations)

Period	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2012 Quarter II	8.4	48.7	42.9	-34.5
Quarter III	7.3	45.5	47.2	-39.9
Quarter IV	6.2	43.7	50.1	-43.9
2013 Quarter I	5.8	38.2	56.0	-50.2
Quarter II	8.3	44.7	47.0	-38.7
Quarter III	10.9	45.1	44.0	-33.1
Quarter IV	11.6	48.0	40.4	-28.8
2014 Quarter I	11.0	49.3	39.7	-28.7
Quarter II	16.0	53.2	30.8	-14.8

Evolution of the Expectations Balance



Opinions regarding the last quarter (Situation)

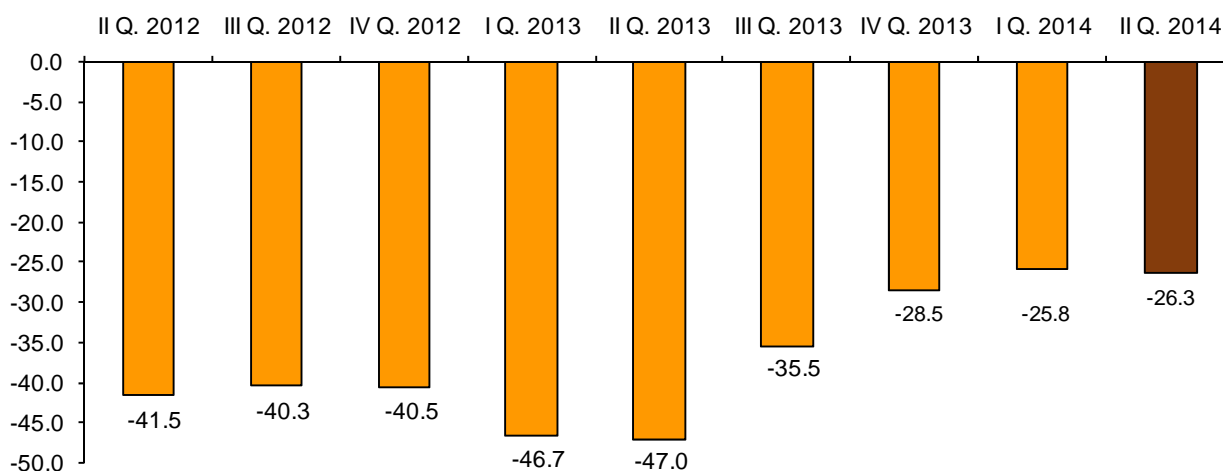
12.3% of the establishments' managers expressed a favourable opinion regarding the performance of their business in the first quarter 2014. In turn, 38.6% had an unfavourable opinion.

The difference between these percentages of favourable and unfavourable responses referring to the last quarter, known as *Situation Balance*, stood at -26.3 points, thereby improving the *Expectations* previously expressed for that first quarter, which stood at -28.7 points.

Opinions regarding the last quarter (Situation)

Period	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2012 Quarter II	6.7	45.1	48.2	-41.5
Quarter III	7.1	45.5	47.4	-40.3
Quarter IV	7.3	44.9	47.8	-40.5
2013 Quarter I	6.9	39.5	53.6	-46.7
Quarter II	6.1	40.8	53.1	-47.0
Quarter III	9.4	45.7	44.9	-35.5
Quarter IV	12.1	47.3	40.6	-28.5
2014 Quarter I	13.0	48.2	38.8	-25.8
Quarter II	12.3	49.1	38.6	-26.3

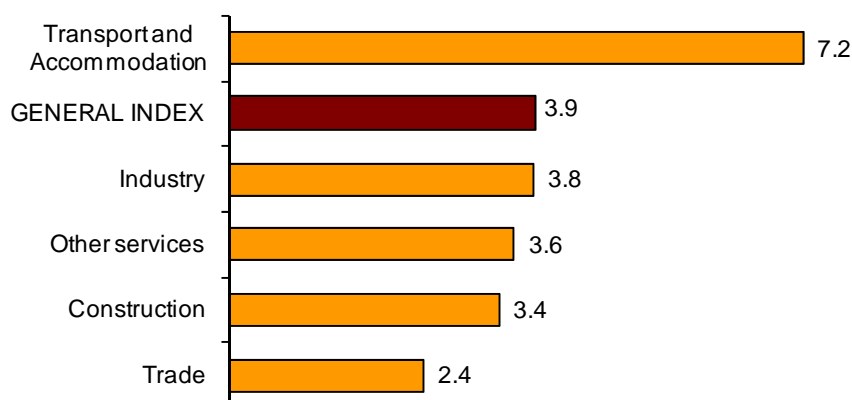
Evolution of the Situation Balance



Harmonised Business Confidence Index by activity sector

In the second quarter 2014, the five activity sectors analysed presented an improvement on the confidence, as compared with the first quarter 2014. *Transport and Accommodation* registered the greatest increase (7.2%), whereas *Trade* recorded the slightest increase in confidence (2.4%).

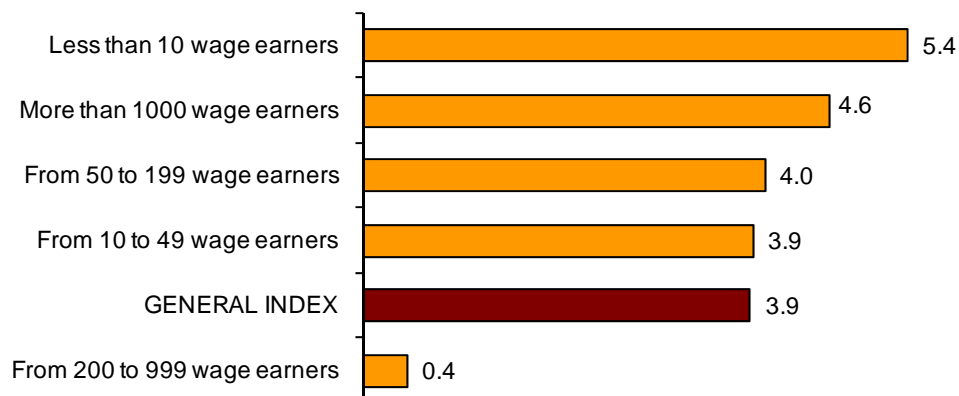
Quarter-on-quarter rate of the HBCI General Index and by activity sectors



Harmonised Business Confidence Index by size of the establishments

The five activity sectors analysed presented an improvement, as compared with the first quarter of 2014. The greatest rise was registered in establishments with *less than 10 wage earners* (5.4%). In turn, the establishments *from 200 to 999 wage earners* registered the slightest rise in confidence (0.4%).

Quarter-on-quarter rate of the HBCI General Index and by size of the establishments

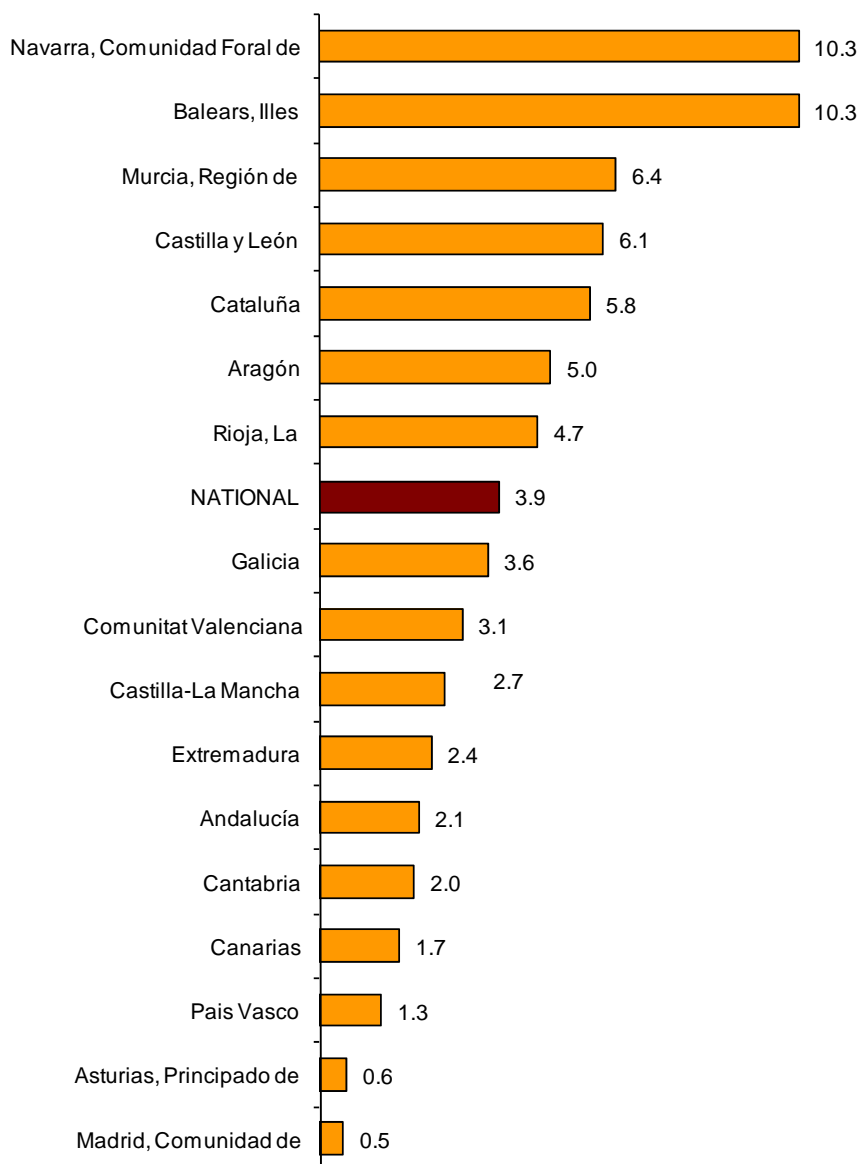


Harmonised Business Confidence Index. Results by Autonomous Community

In the second quarter 2014, the Business Confidence Index improved in all the Autonomous Communities.

Comunidad Foral de Navarra and Illes Balears (both with 10.3%) registered the greatest increases, as compared with the previous quarter. In turn, Comunidad de Madrid (0.5%) and Principado de Asturias (0.6%) recorded the slightest increases.

Quarter-on-quarter rate of the HBCI General Index and by Autonomous Community



Methodological note

The survey on which the BCIs are based is the first opinion poll conducted by the INE, and it is prepared based on a representative sample of establishments, whose opinions began to be collected for the first quarter of 2012.

The methodology of the survey enables the integration of the analogous data compiled by the statistics services of the Autonomous Communities. Once their consistency is checked, so they can be incorporated in the general process of the survey according to the appropriate agreements for this purpose.

The data from Andalucía, Illes Balears, Canarias, Castilla y León and Cataluña were integrated during the first quarter of 2013. The data from La Rioja did so by the third quarter 2013.

The population scope of the survey is comprised of all those establishments whose main activity is included in the following sections of CNAE-2009: B to N (inclusive, except division 70), R (only divisions 92 and 93) and S (only divisions 95 and 96).

The BCIs gather the opinions of the establishment managers regarding the performance of their business for each last quarter, and regarding their expectations for each coming quarter. The methodology is based on the Japanese **TANKAN** index. In other words, there are no weightings or elevations according to the characteristics of the establishments, as the opinion of each respondent carries the same weight.

The BCIs are compiled and published quarterly. Three indicators are based on this question from the questionnaire:

1. How would you assess the performance of the business in your establishment?			
	Favourable	Normal	Unfavourable
1. In the quarter that is ending?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. In the quarter that is commencing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The **Harmonised Expectation Indicator** (known as the **Expectations**) includes the difference or balance between the percentages of favourable and unfavourable responses with regard to the coming quarter. It can fluctuate between -100 (all of the respondents are pessimistic - that is, they have marked the *Unfavourable* box - regarding the coming quarter) and +100 (all of the respondents are optimistic - that is, they have marked the *Favourable* box-).

An intuitive interpretation thereof is simple and direct. If the *Expectations* are positive, the optimists exceed the pessimists with regard to the coming quarter. In turn, the **Harmonised Situation Indicator** (known as the **Situation**) is the difference or balance between the percentages of favourable and unfavourable responses with regard to the quarter that is ending.

The **Harmonised Business Confidence Index** (HBCI) is built using the *Situation* and the *Expectations*. The base for this index is the first quarter of 2013, and the value of that first quarter is therefore equal to 100. Information about the three indicators is disseminated for the national total and for each Autonomous Community, by activity sectors¹ and size of the establishments.

¹ For Industry and Construction, there is more information available about the climate indicators on the Business Tendency Survey, carried out by the Ministry of Industry, Energy and Tourism. <http://www.minetur.gob.es/es-ES/IndicadoresyEstadisticas/Industria/EncuestaCoyuntura/Paginas/EncuestaCoyuntura.aspx>

Business Confidence Indicators Second quarter of 2013

Provisional data

10 April 2014

1. Harmonized Business Confidence Index by sectors

Period	TOTAL	Industry	Construction	Trade	Transport and accommodation	Other Services
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	103.6	102.7	102.0	103.3	106.7	103.5
III Quarter	109.3	109.4	105.9	111.1	115.6	107.0
IV Quarter	113.0	110.9	109.1	117.1	119.2	110.9
2014 I Quarter	113.9	112.5	112.2	118.9	116.5	111.6
II Quarter	118.3	116.8	116.0	121.8	124.9	115.6

2. Harmonized Business Confidence Index by size

Period	TOTAL	Less than 10 wage earners	From 10 to 49 wage earners	From 50 to 199 wage earners	From 200 to 999 wage earners	Over 1000 wage earners
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	103.6	104.6	103.7	103.0	101.7	101.3
III Quarter	109.3	110.5	110.0	109.2	107.1	101.8
IV Quarter	113.0	114.1	114.5	112.3	110.1	107.4
2014 I Quarter	113.9	112.4	115.8	115.0	114.2	109.9
II Quarter	118.3	118.5	120.3	119.6	114.7	115.0

3. Harmonized Business Confidence Index by Autonomous Communities

Period	NATIONAL	Andalucía	Aragón	Asturias, Principado de	Balears, Illes	Canarias
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	103.6	105.2	103.0	105.2	111.8	103.1
III Quarter	109.3	112.8	110.2	110.5	123.1	103.9
IV Quarter	113.0	115.7	113.0	116.3	119.0	113.5
2014 I Quarter	113.9	116.7	114.5	118.2	114.5	115.8
II Quarter	118.3	119.2	120.2	118.9	126.3	117.8

Period	Cantabria	Castilla y León	Castilla- La Mancha	Cataluña	Comunitat Valenciana	Extremadura
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	106.7	103.2	106.5	105.6	100.7	96.2
III Quarter	108.6	110.8	113.8	112.6	105.6	105.6
IV Quarter	112.7	115.5	114.1	115.5	107.3	107.3
2014 I Quarter	117.5	113.0	114.5	118.6	107.3	111.7
II Quarter	119.9	119.9	117.6	125.5	110.6	114.4

Period	Galicia	Madrid, Comunidad de	Murcia, Región de	Navarra, Comunidad Foral	País Vasco	Rioja, La
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	98.9	103.2	102.1	105.6	104.4	102.4
III Quarter	106.4	106.6	107.3	110.2	105.4	110.8
IV Quarter	114.6	110.1	110.4	112.9	111.3	115.3
2014 I Quarter	110.3	114.0	109.8	113.5	111.5	112.9
II Quarter	114.3	114.6	116.8	125.2	113.0	118.2

4. Opinions regarding the coming quarter (Expectations) by sectors

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	16.0	53.2	30.8	-14.8
Industry	17.7	56.4	25.9	-8.2
Construction	11.4	43.2	45.4	-34.0
Trade	15.4	54.1	30.5	-15.1
Transport and accommodation	19.1	52.2	28.7	-9.6
Other services	15.9	54.5	29.6	-13.7

5. Opinions regarding the coming quarter (Expectations) by size

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	16.0	53.2	30.8	-14.8
Less than 10 wage earners	13.2	49.0	37.8	-24.6
From 10 to 49 wage earners	16.8	52.8	30.4	-13.6
From 50 to 199 wage earners	20.1	57.0	22.9	-2.8
From 200 to 999 wage earners	17.8	60.3	21.9	-4.1
Over 1000 wage earners	23.6	61.6	14.8	8.8

6. Opinions regarding the coming quarter (Expectations) by Autonomous Communities

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	16.0	53.2	30.8	-14.8
Andalucía	17.0	51.1	31.9	-14.9
Aragón	13.5	55.2	31.3	-17.8
Asturias, Principado de	11.0	56.5	32.5	-21.5
Balears, Illes	22.5	54.5	23.0	-0.5
Canarias	16.2	53.1	30.7	-14.5
Cantabria	11.4	50.7	37.9	-26.5
Castilla y León	14.8	49.7	35.5	-20.7
Castilla- La Mancha	12.8	44.6	42.6	-29.8
Cataluña	21.7	56.0	22.3	-0.6
Comunitat Valenciana	14.9	52.6	32.5	-17.6
Extremadura	14.5	49.0	36.5	-22.0
Galicia	15.7	51.1	33.2	-17.5
Madrid, Comunidad de	15.2	57.4	27.4	-12.2
Murcia, Región de	17.9	53.9	28.2	-10.3
Navarra, Comunidad Foral de	19.0	56.5	24.5	-5.5
País Vasco	13.8	50.7	35.5	-21.7
Rioja, La	15.0	54.2	30.8	-15.8

7. Opinions regarding the last quarter (Situation) by sectors

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	12.3	49.1	38.6	-26.3
Industry	17.0	51.0	32.0	-15.0
Construction	8.3	41.2	50.5	-42.2
Trade	9.8	48.1	42.1	-32.3
Transport and accommodation	12.5	46.8	40.7	-28.2
Other services	12.7	52.2	35.1	-22.4

8. Opinions regarding the last quarter (Situation) by size

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	12.3	49.1	38.6	-26.3
Less than 10 wage earners	7.8	44.7	47.5	-39.7
From 10 to 49 wage earners	13.5	48.7	37.8	-24.3
From 50 to 199 wage earners	17.9	52.7	29.4	-11.5
From 200 to 999 wage earners	17.2	56.4	26.4	-9.2
Over 1000 wage earners	18.9	61.0	20.1	-1.2

9. Opinions regarding the last quarter (Situation) by Autonomous Communities

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	12.3	49.1	38.6	-26.3
Andalucía	10.9	49.6	39.5	-28.6
Aragón	12.3	47.8	39.9	-27.6
Asturias, Principado de	9.7	49.1	41.2	-31.5
Balears, Illes	11.2	51.1	37.7	-26.5
Canarias	18.1	49.6	32.3	-14.2
Cantabria	9.4	45.0	45.6	-36.2
Castilla y León	11.7	43.1	45.2	-33.5
Castilla- La Mancha	7.0	42.2	50.8	-43.8
Cataluña	16.9	51.4	31.7	-14.8
Comunitat Valenciana	11.6	52.4	36.0	-24.4
Extremadura	9.2	43.4	47.4	-38.2
Galicia	12.5	45.2	42.3	-29.8
Madrid, Comunidad de	11.7	54.3	34.0	-22.3
Murcia, Región de	15.0	52.4	32.6	-17.6
Navarra, Comunidad Foral de	16.3	50.2	33.5	-17.2
País Vasco	10.0	49.3	40.7	-30.7
Rioja, La	11.8	48.9	39.3	-27.5

10. Other economic variables. Opinions with regard to the quarter that is beginning

Economic variables	It will increase	It will remain the same	It will decrease	Balance (increase - decrease)
Empleo (personal contratado)	8.6	76.1	15.3	-6.7
Nivel de precios	4.8	81.4	13.8	-9.0

11. Other economic variables. Opinions with regard to the quarter that has ended

Economic variables	It increased	It remained the same	It decreased	Balance (increase - decrease)
Employment (hired personnel)	8.5	69.8	21.7	-13.2
Price level	5.4	72.5	22.1	-16.7